

Bookkeeping in the Bureau of Indian Affairs has not kept pace with improved methods or techniques in the fields of accounting and business management. The system of accounts which was only partially installed in 1941 with the assistance of the Office of the Comptroller General of the United States failed in its purpose during and subsequent to the war years. The documented transactions originating at approximately one hundred widely scattered field offices were required to be mailed to Washington for current processing through the International Business Machines. The rapid turnover in personnel during much of this period together with sharp reductions made in Indian Service appropriations were the principle causes contributing to this failure and responsible for the Bureau not meeting its accounting and reporting requirements.

The accounts system installed in 1941 was designed primarily to produce by mechanical process at a central point in Washington, the data needed for the financial reports to the Bureau of the Budget and to the General Accounting Office. In actual practice, this system did not satisfactorily provide operating officials with the kind of bookkeeping records needed for efficient management of the Bureau's operations.

The 1941 system ceased to operate as an overall accounting control of the Bureau's finances and properties and has gradually deteriorated and broken up into loose-end bookkeeping records which have been maintained more or less separate and apart from any general system. Some examples are:

1. Loans receivable or credit lending transactions with Indians, approximate value \$6,500,000.
2. Money belonging to individual Indians and groups of Indians carried in the accounts of Special Disbursing Agents in the field, approximately \$55,000,000.

3. Irrigation power and other projects financed from appropriations reimbursable to the Government totaling approximately \$65,000,000.

4. Property such as equipment, buildings, livestock, etc., both Government and trust, in the custody of Bureau officials, value estimated at \$100,000,000.

5. Accounts receivable representing amounts due the Government, both general and trust, resulting from the sale of miscellaneous resources and services of a varied nature. No estimate is given on these uncollected amounts.

6. Annual appropriations made by the Congress for activities of the Bureau such as Education, Health, Extension, Forestry, Roads, etc.

Transactions recorded for these activities are not tied to and made a part of a balanced integrated system of accounting controls. It has not been possible to obtain the complete financial disclosure of the Bureau's operations because of these conditions.

## Proposed General Ledger Control at Area Offices

Representatives of the Office of the Comptroller General are assisting at the present time with the development of accounting procedures designed to provide adequate general ledger controls which will be maintained at Area Offices and other places where authority and responsibility for field operations are centered. This program contemplates full development of sound accounting and within each area of management. It envisions an integrated pattern of accounting and financial reporting responsive to the requirements of the Indian tribes and the Executive and Legislative branches of Government. It takes into consideration the elimination of overlapping of paper work and the fuller application of efficient methods and techniques. The principles of internal control and audit are built into the system. The constructive provisions of the proposed system will go hand in hand with improvements in Budget processes. The ultimate effect will be to give the Indian tribes current information concerning trust monies and properties, to provide operating management with the tools needed to efficiently conduct the business of the Government, and to provide the Executive and Legislative branches with better information pertaining to the Bureau's operations.